



## **DEPARTMENT OF LABOR**

### **Employment and Training Administration**

#### **20 CFR Part 655**

#### **RIN 1205-AB61**

### **Wage Methodology for the Temporary Non-Agricultural Employment H-2B Program; Proposed Delay of Effective Date**

**AGENCY:** Employment and Training Administration, Labor.

**ACTION:** Proposed delay of effective date; request for comments.

**SUMMARY:** The Department of Labor (Department) is proposing to delay indefinitely the effective date of the Wage Methodology for the Temporary Non-agricultural Employment H-2B Program final rule (2011 Wage Rule), in order to comply with recurrent legislation that prohibits the Department from using any funds to implement it, and to permit time for consideration of public comments sought in conjunction with an interim final rule published April 24, 2013, 78 FR 24047. The 2011 Wage Rule revised the methodology by which the Department calculates the prevailing wages to be paid to H-2B workers and United States workers recruited in connection with a temporary labor certification for use in petitioning the Department of Homeland Security to employ a nonimmigrant worker in H-2B status. The 2011 Wage Rule was originally scheduled to become effective on January 1, 2012, and the effective date has been extended a number of times, most recently to October 1, 2013.<sup>1</sup> The Department is now proposing to delay the effective date of the 2011 Wage Rule until such time as Congress no longer prohibits the Department from implementing the 2011 Wage Rule.

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<sup>1</sup> The effective date of the 2011 Wage Rule was previously revised to September 30, 2011, 76 FR 45667 (Aug. 1, 2011); to November 30, 2011, 76 FR 59896 (Sept. 28, 2011); to January 1, 2012, 76 FR 73508 (Nov. 29, 2011); to October 1, 2012, 76 FR 82115 (Dec. 30, 2011); to March 27, 2013, 77 FR 60040 (Oct. 2, 2012); and to October 1, 2013, 78 FR 19098 (Mar. 29, 2013).

**DATES:** Comments must be received on or before August 9, 2013.

**ADDRESSES:** You may submit comments, identified by Regulatory Information Number (RIN) 1205-AB61, by any one of the following methods:

Federal e-Rulemaking Portal [www.regulations.gov](http://www.regulations.gov). Follow the Web site instructions for submitting comments.

Mail or Hand Delivery/Courier: Please submit all written comments (including disk and CD-ROM submissions) to Michael Jones, Acting Administrator, Office of Policy Development and Research, Employment and Training Administration, U.S. Department of Labor, 200 Constitution Avenue NW., Room N-5641, Washington, DC 20210.

Please submit your comments by only one method. Comments received by means other than those listed above or received after the comment period has closed will not be reviewed. The Department will post all comments received on <http://www.regulations.gov> without making any change to the comments, including any personal information provided. The <http://www.regulations.gov> Web site is the Federal e-rulemaking portal and all comments posted there are available and accessible to the public. The Department caution commenters not to include personal information such as Social Security Numbers, personal addresses, telephone numbers, and email addresses in their comments as such information will become viewable by the public on the <http://www.regulations.gov> Web site. It is the commenter's responsibility to safeguard his or her information. Comments submitted through <http://www.regulations.gov> will not include the commenter's email address unless the commenter chooses to include that information as part of his or her comment.

Postal delivery In Washington, DC, may be delayed due to security concerns. Therefore, the Department encourages the public to submit comments through the <http://www.regulations.gov> Web site.

Docket: For access to the docket to read background documents or comments received, go to the Federal eRulemaking portal at <http://www.regulations.gov>. The Department will also make all the comments received available for public inspection during normal business hours at the Employment and Training Administration (ETA) Office of Policy Development and Research at the above address. If you need assistance to review the comments, the Department will provide you with appropriate aids such as readers or print magnifiers. The DEpartment will make copies of the notice available, upon request, in large print and as an electronic file on computer disk. The Department will consider providing the notice in other formats upon request. To schedule an appointment to review the comments and/or obtain the notice in an alternate format, contact the ETA Office of Policy Development and Research at (202) 693-3700 (VOICE) (this is not a toll-free number) or 1-877-889-5627 (TTY/TDD).

**FOR FURTHER INFORMATION CONTACT:** William L. Carlson, Ph.D., Administrator, Office of Foreign Labor Certification, ETA, U.S. Department of Labor, 200 Constitution Avenue, NW., Room C-4312, Washington, DC 20210; Telephone (202) 693-3010 (this is not a toll-free number). Individuals with hearing or speech impairments may access the telephone number above via TTY by calling the toll-free Federal Information Relay Service at 1-877-889-5627 (TTY/TDD).

**SUPPLEMENTARY INFORMATION:**

The Department of Labor published a final rule, Wage Methodology for the Temporary Non-agricultural Employment H-2B Program, on January 19, 2011. See 76 FR 3452 (the 2011 Wage Rule). The 2011 Wage Rule revised the methodology by which the Department calculates the prevailing wages to be paid to H-2B workers and United States (U.S.) workers recruited in connection with a temporary labor certification for use in petitioning the Department of Homeland Security to employ a nonimmigrant worker in H-2B status. The Department originally set the effective date of the 2011 Wage Rule for January 1, 2012. However, as a result of litigation and following notice-and-comment rulemaking, we issued a final rule, 76 FR 45667 (August 1, 2011), revising the effective date of the 2011 Wage Rule to September 30, 2011, and a second final rule, 76 FR 59896 (September 28, 2011), further revising the effective date of the 2011 Wage Rule to November 30, 2011.

Thereafter, the Department delayed the effective date of the 2011 Wage Rule until January 1, 2012, in light of the enactment on November 18, 2011, of the Consolidated and Further Continuing Appropriations Act, 2012, which provided that “[n]one of the funds made available by this or any other Act for fiscal year 2012 may be used to implement, administer, or enforce, prior to January 1, 2012 the [Wage Rule].” Public Law No. 112-55, 125 Stat. 552, Div. B, Title V, sec.546 (Nov. 18, 2011) (the November 2011 Appropriations Act). In delaying the 2011 Wage Rule’s effective date at that time, the Department stated that although the November 2011 Appropriations Act “prevent[ed] the expenditure of funds to implement, administer, or enforce the [2011] Wage Rule before January 1, 2012, it [did] not prohibit the [2011] Wage Rule from going into effect, which [was] scheduled to occur on November 30, 2011.” 76 FR 73508, 73509

(November 29, 2011). The Department explained that “when the [2011] Wage Rule goes into effect, it will supersede and make null the prevailing wage provisions at 20 CFR 655.10(b) of the Department’s existing H-2B regulations, which were promulgated under Labor Certification Process and Enforcement for Temporary Employment in Occupations Other Than Agriculture or Registered Nursing in the United States (H-2B Workers), and Other Technical Changes; Final Rule, 73 FR 78020, Dec. 19, 2008 (the H-2B 2008 Rule).” Id. Accordingly, the Department determined that it was necessary in light of the November 2011 Appropriations Act to delay the effective date of the 2011 Wage Rule to avoid the replacement of the wage provisions of the H-2B 2008 Rule with a new rule that the Department lacked appropriated funds to implement. Such an occurrence would have rendered the H-2B program inoperable because the issuance of a prevailing wage determination is a condition precedent to approving an employer’s request for an H-2B labor certification. As a result, the Department issued a final rule, 76 FR 73508, which delayed the effective date of the 2011 Wage Rule until January 1, 2012.

Subsequent appropriations legislation<sup>2</sup> containing the same restriction prohibiting the Department’s use of appropriated funds to implement, administer, or enforce the 2011 Wage Rule necessitated subsequent extensions of the effective date of that rule. See 76 FR 82115 (December 30, 2011) (extending the effective date to October 1, 2012); 77 FR 60040 (October 2, 2012) (extending the effective date to March 27, 2013); 78 FR 19098 (March 29, 2013) (extending the effective date to October 1, 2013). In light of the continued prohibitions on the expenditure of the Department’s appropriated funds to

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<sup>2</sup> These include the Consolidated Appropriations Act of 2012, Pub. L. No. 112-74, 125 Stat. 786 (Dec. 23, 2011); Continuing Appropriations Resolution, 2013, Pub. L. No. 112-175, 126 Stat. 1313 (Sept. 28, 2012); and Consolidated and Further Continuing Appropriations Act, 2013, Pub. L. No. 113-6, 127 Stat. 198 (Mar. 26, 2013) (establishing DOL’s appropriations through Sept. 30, 2013).

implement, administer, or enforce the 2011 Wage Rule, the Department proposes to delay indefinitely the effective date of the 2011 Wage Rule until such time as the rule can be implemented.

Additionally, the Department, together with the Department of Homeland Security (the Departments),<sup>3</sup> recently promulgated an interim final rule (IFR), 78 FR 24047, establishing a new wage methodology. This action was taken in direct response to Comite de Apoyo a los Trabajadores Agricolas (CATA) v. Solis,

--- F. Supp. 2d ----, 2013 WL 1163426 (E.D. Pa. 2013), in which the district court vacated a provision of the H-2B 2008 rule, 20 CFR 655.10(b)(2). That provision required that prevailing wages based on the Occupational Employment Statistics (OES) survey contain tiers that are commensurate with the skill required for the job; the Department accordingly divided the Occupational Employment Survey wage applicable to the occupation in question into four tiers of wages to correspond to skill levels. The court vacated 20 CFR 655.10(b)(2), which was the basis for the four-tiered wage, and remanded the matter to the Department, ordering the Department to come into compliance with the court's order within 30 days.

In response to CATA v. Solis, the Departments issued the IFR on April 24, 2013. See 78 FR 24047. The Departments struck the phrase, "at the skill level," from 20 CFR 655.10(b)(2), thus requiring prevailing wage determinations issued using the OES survey

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<sup>3</sup> The Department of Labor (DOL) and the Department of Homeland Security (DHS) issued the IFR jointly to dispel questions regarding the respective roles of the two agencies and the validity of DOL's regulations as an appropriate way to implement the interagency consultation specified in section 214(c)(1) of the INA, 8 U.S.C. 1184(c)(1). See Bayou Lawn & Landscape Servs. v. Sec'y of Labor, 713 F.3d 1080 (11th Cir. 2013) (holding that the Department of Labor lacks independent rulemaking authority under the INA to issue legislative regulations implementing its role in the H-2B program). But see La. Forestry Ass'n v. Solis, 889 F. Supp. 2d 711 (E.D. Pa. 2012) (rejecting claim that the Department of Labor lacks authority under the INA to administer the H-2B program through legislative rules). Due to these inconsistent court rulings about the Department of Labor's authority to issue independent legislative rules, the Department of Labor and DHS together issued the IFR revising the prevailing wage methodology in the H-2B program.

to be based on the mean wage for the occupation in the area of intended employment without tiers or skill levels. See id. at 24053. That revision became effective on April 24, 2013, the date of publication. The Departments requested comments on all aspects of the prevailing wage provisions of 20 CFR 655.10(b), including, among other things, whether the OES mean is the appropriate basis for determining the prevailing wage; whether wages based on the Davis-Bacon Act (DBA), 40 U.S.C. 276a et seq., 29 CFR part 1, or the McNamara-O'Hara Service Contract Act (SCA), 41 U.S.C. 351 et seq., should be used to determine the prevailing wage, and if so to what extent; and whether to permit the continued use of employer-submitted surveys and ways to strengthen their methodology, if permitted. The comment period closed on June 10, 2013, and the Departments are in the process of reviewing those comments and determining whether further revision to 20 CFR 655.10(b) is warranted in light of public comment.

The confluence of the recurrent Congressional prohibition against implementation of the 2011 Wage Rule, which the Department anticipates will continue, and the Department's current review and consideration of suggestions made in the comments associated with the IFR, which revised wage provisions of the H-2B regulations that were also the subject of the 2011 Wage Rule, require the indefinite delay of the effective date of the 2011 Wage Rule. Were the 2011 Wage Rule to become effective, it would supplant the revisions made to 20 CFR 655.10(b) in the IFR, which were necessary in light of the court's order in CATA v. Solis. In that event, the Department would likely continue to be unable to implement the 2011 Wage Rule, based on the continuation of the Congressional prohibition on its implementation. However, should Congress lift the prohibition against implementation of the 2011 Wage Rule, the Department would need

time to assess the current regulatory framework, to consider any changed circumstances, novel concerns or new information received, and to minimize disruptions.

Until such time as Congress no longer prohibits the Department from implementing the 2011 Wage Rule, the effective date of the 2011 Wage Rule should be delayed. In the event that Congress no longer prohibits implementation of the 2011 Wage Rule, the Department would publish a document in the Federal Register within 45 days apprising the public of the status of 20 CFR 655.10 and the effective date of the 2011 Wage Rule. The Department invites comment on the proposed indefinite delay of the effective date of the 2011 Wage Rule.

**SIGNED:** at Washington, D.C. this \_18\_\_ of July, 2013.

Eric Seleznow

Acting Assistant Secretary for Employment and Training

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